

# FUND 309

## METRO OPERATIONS AND CONSTRUCTION

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### ***Board of Supervisors' Adjustments***

***The following funding adjustments reflect all changes to the FY 2004 Advertised Budget Plan, as approved by the Board of Supervisors on April 28, 2003:***

- ◆ A decrease of \$4,173,861 in the General Fund Transfer to Fund 309, Metro Operations and Construction, is included after additional review of available balances indicates that a commensurate amount of funding available at WMATA can be applied to reduce the General Fund Transfer required to support the FY 2004 budget. The funding available at WMATA reflects audit adjustments, budget amendments and other payment credits recorded at WMATA on behalf of Fairfax County, and were identified as part of a quarterly review of all available transportation-related funding sources. As a result, the revised FY 2004 General Fund Transfer to Fund 309, Metro Operations and Construction, totals \$12,272,714, an amount equal to the *FY 2003 Revised Budget Plan* transfer.

***The following funding adjustments reflect all approved changes to the FY 2003 Revised Budget Plan from January 1, 2003 through April 21, 2003. Included are all adjustments made as part of the FY 2003 Third Quarter Review:***

- ◆ The Board of Supervisors made no changes to this fund.

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### ***County Executive Proposed FY 2004 Advertised Budget Plan***

#### **Purpose**

Fund 309, Metro Operations and Construction, contains the funds provided by Fairfax County to pay the County's allocated portion of the Washington Metropolitan Area Transit Authority's (WMATA) FY 2004 operating and capital budget. The County subsidizes Metrorail, Metrobus, and MetroAccess (paratransit) service, contributes to construction costs associated with the 103-mile Metrorail system, and contributes to the repair, maintenance, rehabilitation, and replacement of capital equipment and facilities for the Metrobus, Metrorail, and MetroAccess systems.

The WMATA budget presented here is based on initial FY 2004 information obtained from WMATA budget staff, as well as County Department of Transportation (DOT) staff estimates. The WMATA General Manager issued the proposed FY 2004 WMATA budget in December 2002, and the WMATA Board Budget Committee is in the process of reviewing the proposed budget between January and May 2003. After this period of review, the WMATA Board of Directors will adopt the FY 2004 Budget in June 2003. WMATA's General Manager noted a shortfall of \$48 million as part of his budget proposal in December 2002. A combination of cost reductions totaling \$24 million and a fare (revenue) increase of \$24 million was proposed to balance the budget. While the cost reductions have already been identified, the fare changes must have public hearings and be approved by the WMATA Board of Directors. This public hearing process will occur in early 2003, and the anticipated fare increase will begin in July 2003.

The County's portion of the total WMATA budget is determined by using several formulas that include factors such as jurisdiction of residence of passengers, number of stations located in a jurisdiction, the amount of service in a jurisdiction, the jurisdiction's population, and the jurisdiction's population density.

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Applied State Aid, Gas Tax Receipts, and State Transportation Bond Revenues are identified in Fund 309, Metro Operations and Construction, even though these funds are not directly received or disbursed by the County. These funds are used by Fairfax County to offset the County's share of WMATA's operating and capital costs. The County contributes a General Fund Transfer to Fund 309 to cover the remaining Operating Expenditures and General Obligation Bond revenues to cover the remaining Capital Construction Expenditures. These categories are summarized below.

### **Operating Expenditures**

The total FY 2004 Fairfax County requirement (subsidy) for WMATA Operating Expenses totals \$53.4 million, of which \$26.9 million will be supported by local funding sources. This funding level supports:

- Existing Metrorail and Metrobus service levels. The funded level includes a 4.5 percent inflation factor applied to the WMATA FY 2003 Carryover Budget and covers increased subsidy requirements associated with the 50 percent phase in of the 2000 census population data into the allocation formulas (the other 50 percent will be applied in FY 2005)
- Annualization of bus services started during FY 2003 by WMATA
- Increased funds for MetroAccess due to increased utilization of these Americans with Disabilities (ADA) paratransit services
- Continuation of the Springfield Circulator Bus Service started in FY 2001
- Other service enhancements

As noted above, this estimate is based on preliminary FY 2004 information obtained from WMATA budget staff, as well as County Department of Transportation (DOT) staff estimates, and is subject to revision until the final WMATA budget is approved in June 2003.

On the basis of a Northern Virginia Transportation Commission (NVTC) formula, the County receives State Aid and Gas Tax Receipts to support operating requirements. In FY 2004, a total of \$26.5 million in State Aid and \$10.6 million in Gas Tax Receipts will be used to support the various Operating Expenses noted above. In addition, \$1.0 million will be applied from prior year audit adjustment funds at WMATA, \$0.4 million will be funded from interest on funds at NVTC, and \$0.1 million will be transferred from Fund 301, Contributed Roadway Improvement Fund, to support shuttle service in the Franconia/Springfield area. An additional \$16.4 million is funded through a General Fund Transfer. It should be noted that as a result of changes in the funding formula that became effective in FY 2000, receipts from State Aid and Gas Tax were increased. However, when the formula was updated, it was agreed that additional funds resulting from the formula change could not be used to reduce the General Fund Transfer for current Operating Expenses but only for service enhancements. The FY 2004 amount attributable to the formula change is \$1.6 million which will be transferred from Fund 309 to Fund 100, County Transit Systems, for various mass transit enhancements.

### **Capital Construction Expenditures**

An amount of \$19.5 million is required for Capital requirements, of which \$5.1 million is supported by Fairfax County General Obligation Bonds. The remaining total is funded through Virginia Transportation Act (VTA) 2000 funds, Northern Virginia Transportation District (NVTB) Bonds, State Aid, and Gas Tax Receipts. Capital expenditures support the completion of the 103-mile Metrorail system, as well as maintain and/or acquire facilities, equipment, rail cars, and buses.

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FY 2004 Capital Expenditures include \$12.3 million for the Infrastructure Renewal Program (IRP), a program which includes the rehabilitation of the railcar fleet, upgrades to Metrorail system components such as fare gates and farecard machines, improvements to Metrobus and Metrorail facilities, and funding for all capital equipment. It is anticipated that this amount will continue to increase in future years. The System Access Program (SAP) requires a budgeted amount of \$3.5 million for FY 2004. An additional \$0.5 million is included to support preliminary engineering requirements associated with the System Expansion Program (SEP) and \$3.2 million is included to fund Adopted Regional System (ARS) debt service requirements.

In previous years, large funding totals in this category primarily supported the Fifth Interim Capital Contribution Agreement (ICCA-V) or "fast track" construction plan of the 103-mile Metrorail system. Approved by the Board of Supervisors in FY 1992, the plan provided a funding mechanism for participating jurisdictions to contribute toward the completion of the regional Metrorail system by FY 2003. Therefore, no payment is required in FY 2004 for this purpose. It should be noted that reconciliation payments may be required in future years.

Metrorail operates three lines in Fairfax County; the Yellow Line which terminates at the Huntington Station in the Southeastern part of the County, the Orange Line which terminates at the Vienna-Fairfax/GMU Station in the central part of the County, and the Blue Line terminating at the Franconia-Springfield station. In FY 2004, it is estimated that Metrorail in Fairfax County will carry 26.2 million passengers.

### **Key Accomplishments**

- ◆ Initiated design and zoning approvals for a 1,000-space parking garage at the West Falls Church Metro station.
- ◆ Began construction of a 1,000-space parking garage addition at the Franconia-Springfield Metro station.

### **FY 2004 Initiatives**

- ◆ Complete design work, secure zoning approvals, and begin construction of an additional parking garage at the West Falls Church Metrorail station.

### **Performance Measurement Results**

Fairfax County Metrobus trips originating in Fairfax County have increased an average of 5.3 percent over the past three fiscal years and are projected to increase 2.0 percent from FY 2002 to FY 2003 and are projected to increase by an additional 1.0 percent in FY 2004. Fairfax County Metrorail ridership has increased an average of 3.0 percent over the past three fiscal years and is projected to increase 3.0 percent from FY 2002 to FY 2003 and increase another 3.0 percent in FY 2004.

### **Funding Adjustments**

*The following funding adjustments from the FY 2003 Revised Budget Plan are necessary to support the FY 2004 program:*

- ◆ The FY 2004 subsidy for Operating Expenses totals \$53,415,114, of which \$26,941,963 will be supported by local funding sources. It should be noted that this estimate is based on preliminary FY 2004 information obtained from WMATA budget staff, as well as County Department of Transportation (DOT) staff estimates. This funding level supports existing Metrorail and Metrobus service levels, as well as MetroAccess ridership, the continuation of Springfield Circulator Bus Service, and the provision of funding for service enhancements initiated by WMATA in FY 2003.

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- ◆ FY 2004 capital construction expenditures total \$19,513,928, of which \$5,050,320 will be supported by Fairfax County bond funds. Capital expenditures are included to rehabilitate facilities, equipment, and buses and to support the 103-mile Metrorail system. An amount of \$12,300,000 reflects the subsidy requirement for the Infrastructure Renewal Program (IRP), which supports the rehabilitation of the railcar fleet, upgrades to Metrorail system components such as fare gates and farecard machines, improvements to Metrobus and Metrorail facilities, and funding for all capital equipment. This amount is expected to increase in future years. Funding of \$3,500,000 is included for the System Access Program which seeks to address bus and rail access and capacity issues. Funding of \$545,000 is included for the System Expansion Program (SEP), which supports the expansions and extensions of the existing Metrorail system. A small amount of this funding is available regionally on an annual basis for feasibility studies and conceptual design work. Finally, an amount of \$3,168,928 is included to fund Adopted Regional System (ARS) debt service requirements.
- ◆ An amount of \$1,564,612 is transferred to Fund 100, County Transit Systems, as a result of increased State Aid and Gas Tax receipts due to a funding formula change that became effective in FY 2000. These funds will be used for various mass transit enhancements such as expanded bus service and reduced fare initiatives on select transit trips.

*The following funding adjustments reflect all approved changes to the FY 2003 Revised Budget Plan since passage of the FY 2003 Adopted Budget Plan. Included are all adjustments made as part of the FY 2002 Carryover Review and all other approved changes through December 31, 2002:*

- ◆ As part of the *FY 2002 Carryover Review*, FY 2003 disbursements are decreased \$4,497,501 based on anticipated requirements in FY 2003 for transit needs, including capital costs, rail system enhancements, and facility improvements.

## Performance Measures<sup>1</sup>

### Objectives

- ◆ To increase the annual number of trips taken on Metrobus routes serving Fairfax County by 1.0 percent, from 9,180,000 in FY 2003 to 9,271,000 in FY 2004.

| Indicator                           | Prior Year Actuals |                |                             | Current Estimate | Future Estimate |
|-------------------------------------|--------------------|----------------|-----------------------------|------------------|-----------------|
|                                     | FY 2000 Actual     | FY 2001 Actual | FY 2002 Estimate/Actual     | FY 2003          | FY 2004         |
| <b>Output:</b>                      |                    |                |                             |                  |                 |
| Trips originating in Fairfax County | 8,122,500          | 8,550,000      | 9,000,000 / 9,000,000       | 9,180,000        | 9,271,000       |
| Metrobus routes                     | 87                 | 87             | 87 / 87                     | 87               | 87              |
| Metrobus platform hours             | 320,373            | 335,649        | 348,063 / 348,063           | 355,024          | 383,285         |
| Metrobus platform miles             | 5,593,797          | 5,964,412      | 6,150,828 / 6,150,828       | 6,273,844        | 6,773,256       |
| <b>Efficiency:</b>                  |                    |                |                             |                  |                 |
| Operating costs                     | \$26,387,656       | \$27,543,074   | \$29,485,968 / \$29,527,915 | \$30,155,125     | \$30,904,773    |
| Farebox revenue                     | \$2,034,306        | \$2,665,930    | \$3,459,351 / \$3,459,351   | \$4,314,600      | \$4,357,746     |
| Operating subsidy                   | \$24,353,350       | \$24,877,144   | \$26,026,617 / \$27,649,107 | \$25,840,525     | \$26,547,027    |
| Operating cost/platform mile        | \$4.72             | \$4.62         | \$4.79 / \$4.80             | \$4.81           | \$4.56          |
| Operating cost/platform hour        | \$82.37            | \$82.06        | \$84.71 / \$84.83           | \$84.94          | \$80.63         |

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| Indicator                              | Prior Year Actuals |                |                         | Current Estimate | Future Estimate |
|--|--------------------|----------------|-------------------------|------------------|-----------------|
|  | FY 2000 Actual     | FY 2001 Actual | FY 2002 Estimate/Actual | FY 2003          | FY 2004         |
| Revenue as a percent of operating cost | 7.71%              | 9.68%          | 11.73% / 11.72%         | 14.31%           | 14.10%          |
| Operating subsidy per Metrobus trip    | \$3.00             | \$2.91         | \$2.89 / \$3.07         | \$2.81           | \$2.86          |
| <b>Outcome:</b>                        |                    |                |                         |                  |                 |
| Percent change in Fairfax County trips | 5.3%               | 5.3%           | 5.3% / 5.3%             | 2.0%             | 1.0%            |

(1) Starting with the FY 2003 Adopted Budget Plan, performance data has been adjusted to reflect figures consistent with jurisdictional data provided by WMATA. As a result, actual data for FY 2000 and FY 2001 may be different from that published in previous budget documents.

## Performance Measures<sup>1</sup>

### Objectives

- ◆ To increase the number of Metrorail trips originating in Fairfax County by 3.0 percent from 25,441,000 in FY 2003 to 26,204,000 in FY 2004.

| Indicator                                  | Prior Year Actuals |                |                             | Current Estimate | Future Estimate |
|--|--------------------|----------------|-----------------------------|------------------|-----------------|
|  | FY 2000 Actual     | FY 2001 Actual | FY 2002 Estimate/Actual     | FY 2003          | FY 2004         |
| <b>Output:</b>                             |                    |                |                             |                  |                 |
| Fairfax County ridership                   | 24,500,000         | 24,900,000     | 27,900,000 / 24,700,000     | 25,441,000       | 26,204,000      |
| <b>Efficiency:</b>                         |                    |                |                             |                  |                 |
| Operating costs                            | \$55,933,000       | \$58,512,000   | \$63,085,000 / \$62,669,552 | \$66,432,345     | \$67,975,378    |
| Farebox revenue                            | \$38,118,000       | \$38,696,000   | \$45,121,000 / \$43,826,000 | \$46,195,000     | \$47,601,000    |
| Operating subsidy                          | \$17,815,000       | \$19,817,000   | \$17,964,000 / \$18,843,552 | \$20,237,345     | \$20,374,378    |
| Revenue as a percent of operating cost     | 68.15%             | 66.13%         | 70.04% / 69.93%             | 69.54%           | 70.03%          |
| Operating subsidy per Metrorail passenger  | \$0.73             | \$0.80         | \$0.64 / \$0.76             | \$0.80           | \$0.78          |
| <b>Outcome:</b>                            |                    |                |                             |                  |                 |
| Percent change in Fairfax County ridership | 5.2%               | 1.6%           | 12.0% / (0.8%)              | 3.0%             | 3.0%            |

(1) Starting with the FY 2003 Adopted Budget Plan, performance data has been adjusted to reflect figures consistent with jurisdictional data provided by WMATA. As a result, actual data for FY 2000 and FY 2001 may be different from that published in previous budget documents.

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### FUND STATEMENT

**Fund Type G30, Capital Project Funds**

**Fund 309, Metro Operations  
and Construction**

|  | <b>FY 2002<br/>Actual</b> | <b>FY 2003<br/>Adopted<br/>Budget Plan</b> | <b>FY 2003<br/>Revised<br/>Budget Plan</b> | <b>FY 2004<br/>Advertised<br/>Budget Plan</b> | <b>FY 2004<br/>Adopted<br/>Budget Plan</b> |
|--|---------------------------|--|--|---|--|
| <b>Beginning Balance</b>                           | <b>\$9,078,340</b>        | <b>\$4,452,324</b>                         | <b>\$16,562,358</b>                        | <b>\$2,130,340</b>                            | <b>\$2,130,340</b>                         |
| Revenue:   |                           |  |  |   |  |
| Revenue Applied to Operating Expenses              |                           |  |  |   |  |
| State Aid Applied to Operating                     | \$26,719,714              | \$29,783,157                               | \$26,473,151                               | \$26,473,151                                  | \$26,473,151                               |
| Gas Tax Revenue Applied to Operating               | 10,240,456                | 10,550,000                                 | 10,550,000                                 | 10,550,000                                    | 10,550,000                                 |
| Prior Year Adjustments                             | 0                         | 0  | 986,958                                    | 1,000,000                                     | 5,173,861                                  |
| Interest   | 1,100,000                 | 1,100,000                                  | 1,100,000                                  | 400,000                                       | 400,000                                    |
| Subtotal - Revenue Applied to Operating            | \$38,060,170              | \$41,433,157                               | \$39,110,109                               | \$38,423,151                                  | \$42,597,012                               |
| Revenue Applied to Capital Construction            |                           |  |  |   |  |
| State Aid Applied to Rail Reliability              | \$3,355,806               | \$844,680                                  | \$844,680                                  | \$799,680                                     | \$799,680                                  |
| State Aid Applied to ARS Debt Service              | 3,010,481                 | 3,010,481                                  | 3,010,481                                  | 3,010,481                                     | 3,010,481                                  |
| MTA 2000 Bonds Applied to Capital Construction     | 0                         | 0  | 0  | 4,950,000                                     | 4,950,000                                  |
| NCTD Bonds Applied to Capital Construction         | 0                         | 0  | 0  | 5,000,000                                     | 5,000,000                                  |
| Gas Tax Rev. Applied to ARS Debt Service           | 158,447                   | 158,447                                    | 158,447                                    | 158,447                                       | 158,447                                    |
| System Improvement/ Expansion                      | 319,499                   | 500,000                                    | 500,000                                    | 545,000                                       | 545,000                                    |
| System Access Program                              | 212,000                   | 0  | 0  | 0   | 0  |
| Subtotal - Revenue Applied to Capital Construction | \$7,056,233               | \$4,513,608                                | \$4,513,608                                | \$14,463,608                                  | \$14,463,608                               |
| County Bond Sales <sup>1</sup>                     | \$13,895,000              | \$12,154,147                               | \$0  | \$2,919,980                                   | \$2,919,980                                |
| Total Revenue                                      | \$59,011,403              | \$58,100,912                               | \$43,623,717                               | \$55,806,739                                  | \$59,980,600                               |
| Transfers In:                                      |                           |  |  |   |  |
| General Fund (001)                                 | \$11,450,844              | \$12,272,714                               | \$12,272,714                               | \$16,446,575                                  | \$12,272,714                               |
| Contributed Roadway Improvement Fund (301)         | 0                         | 110,000                                    | 110,000                                    | 110,000                                       | 110,000                                    |
| Total Transfers In                                 | \$11,450,844              | \$12,382,714                               | \$12,382,714                               | \$16,556,575                                  | \$12,382,714                               |
| <b>Total Available</b>                             | <b>\$79,540,587</b>       | <b>\$74,935,950</b>                        | <b>\$72,568,789</b>                        | <b>\$74,493,654</b>                           | <b>\$74,493,654</b>                        |

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### FUND STATEMENT

Fund Type G30, Capital Project Funds

Fund 309, Metro Operations  
and Construction

|                                   | FY 2002<br>Actual   | FY 2003<br>Adopted<br>Budget Plan | FY 2003<br>Revised<br>Budget Plan | FY 2004<br>Advertised<br>Budget Plan | FY 2004<br>Adopted<br>Budget Plan |
|-----------------------------------|---------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| Expenditures:                     |                     |                                   |                                   |                                      |                                   |
| Operating Expenditures            |                     |                                   |                                   |                                      |                                   |
| Bus Operating Subsidy             | \$26,068,564        | \$27,649,107                      | \$25,840,525                      | \$26,547,027                         | \$26,547,027                      |
| Rail Operating Subsidy            | 18,843,552          | 19,974,164                        | 20,237,345                        | 20,374,378                           | 20,374,378                        |
| ADA Paratransit - Metro           | 2,552,079           | 3,750,000                         | 3,497,900                         | 5,428,700                            | 5,428,700                         |
| Service Enhancements              | 0                   | 364,576                           | 364,576                           | 364,576                              | 364,576                           |
| Springfield Circulator            | 179,462             | 642,600                           | 642,600                           | 700,433                              | 700,433                           |
| Subtotal - Operating Expenditures | \$47,643,657        | \$52,380,447                      | \$50,582,946                      | \$53,415,114                         | \$53,415,114                      |
| Capital Construction Expenditures |                     |                                   |                                   |                                      |                                   |
| Capital Rail Contribution         | \$3,668,553         | \$1,951,151                       | \$1,951,151                       | \$0                                  | \$0                               |
| Rail System                       |                     |                                   |                                   |                                      |                                   |
| Improvement/Expansion             | 426,000             | 500,000                           | 500,000                           | 545,000                              | 545,000                           |
| Rail Reliability Program          | 6,423,667           | 15,500,000                        | 12,000,000                        | 12,300,000                           | 12,300,000                        |
| System Access Program             | 212,000             | 0                                 | 800,000                           | 3,500,000                            | 3,500,000                         |
| ARS Debt Service                  | 3,168,928           | 3,168,928                         | 3,168,928                         | 3,168,928                            | 3,168,928                         |
| Subtotal - Capital Construction   | \$13,899,148        | \$21,120,079                      | \$18,420,079                      | \$19,513,928                         | \$19,513,928                      |
| Expenditures                      | \$61,542,805        | \$73,500,526                      | \$69,003,025                      | \$72,929,042                         | \$72,929,042                      |
| Total Expenditures                | \$61,542,805        | \$73,500,526                      | \$69,003,025                      | \$72,929,042                         | \$72,929,042                      |
| Transfers Out:                    |                     |                                   |                                   |                                      |                                   |
| County Transit Systems (100)      | \$1,435,424         | \$1,435,424                       | \$1,435,424                       | \$1,564,612                          | \$1,564,612                       |
| Total Transfers Out               | \$1,435,424         | \$1,435,424                       | \$1,435,424                       | \$1,564,612                          | \$1,564,612                       |
| <b>Total Disbursements</b>        | <b>\$62,978,229</b> | <b>\$74,935,950</b>               | <b>\$70,438,449</b>               | <b>\$74,493,654</b>                  | <b>\$74,493,654</b>               |
| <b>Ending Balance</b>             | <b>\$16,562,358</b> | <b>\$0</b>                        | <b>\$2,130,340</b>                | <b>\$0</b>                           | <b>\$0</b>                        |
| General Fund                      | 525,547             | 0                                 | 0                                 | 0                                    | 0                                 |
| Bond Funds                        | 16,036,811          | 0                                 | 2,130,340                         | 0                                    | 0                                 |
| <b>Unreserved Balance</b>         | <b>\$0</b>          | <b>\$0</b>                        | <b>\$0</b>                        | <b>\$0</b>                           | <b>\$0</b>                        |

<sup>1</sup> The sale of bonds is presented here for planning purposes only. Actual bond sales are based on cash needs in accordance with Board policy. On November 3, 1992, the voters approved a \$50 million referendum for Metrorail construction expenses. All remaining bonds pertaining to this sale have been issued and allocated to Metro's Infrastructure Renewal Program and Dulles Corridor transit projects as directed by the Board of Supervisors on March 8, 1999. Bond sales projected from FY 2004 onward will be allocated from \$31 million of remaining authorized but unissued 1990 Transportation Improvement Bonds.